

The LEWIN GROUP

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Modeling Health Reform in Iowa

Presented to:

Iowa Legislative Commission on Affordable
Health Care Plans for Small Business and Families

By:

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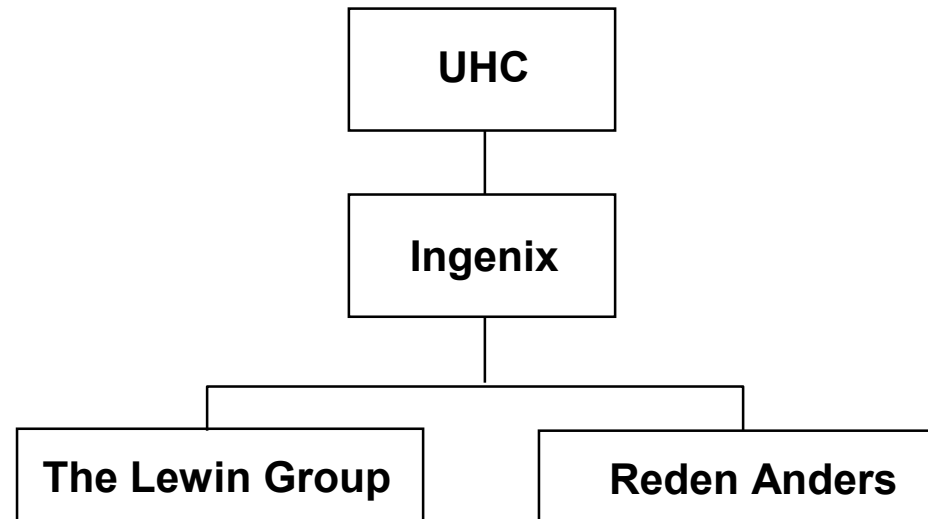
Analysis of Options-Economic Impact Analyses

- Health Benefits Simulation Model (HBSM)
 - State population survey data
 - State employer insurance data
 - State Medicaid enrollment and spending data
 - Hospital uncompensated care
- Estimated enrollment and costs
 - Reduction in uninsured
 - Public program costs including federal matching funds
 - Impact on employers offering coverage and costs
- Supported with actuarial analyses
- Stakeholder impacts
 - Providers
 - Employers and families

History of the Lewin Group Organization

- 35 years in Health Care consulting
- 20 years experience in comparative analyses of health reform proposals
- State level reform analyses
 - Medicaid expansion
 - Premium subsidies
 - “Massachusetts Style” programs
 - Analyses of single-payer programs in seven states
- Comparative analyses of health reform proposals
 - *Analyses of Children’s Coverage Expansion Options in California* in 2006 (including, administrative simplification, eligibility expansion, automatic enrollment)
 - *Covering America Analyses for RWJF* (including tax credits to individuals and employers and Medicaid expansions)

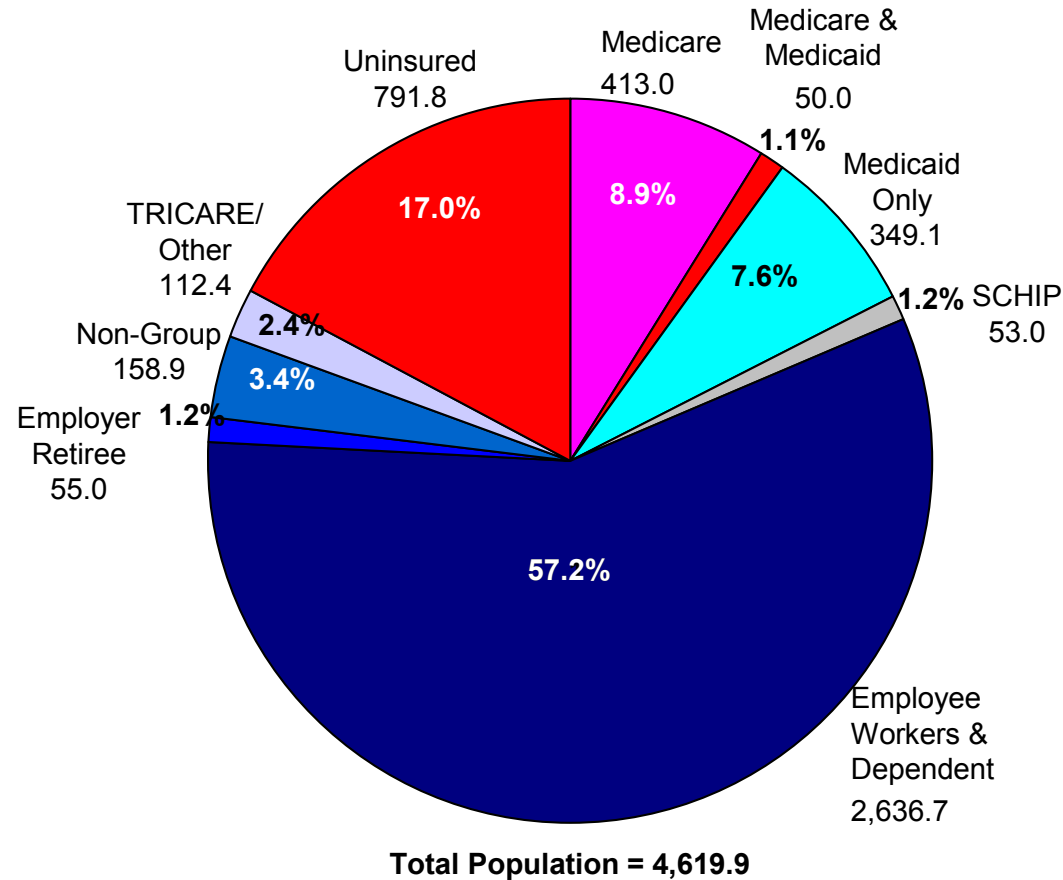
Lewin Group Organizational Chart



Establish Baseline (Current Law) for Health Care System

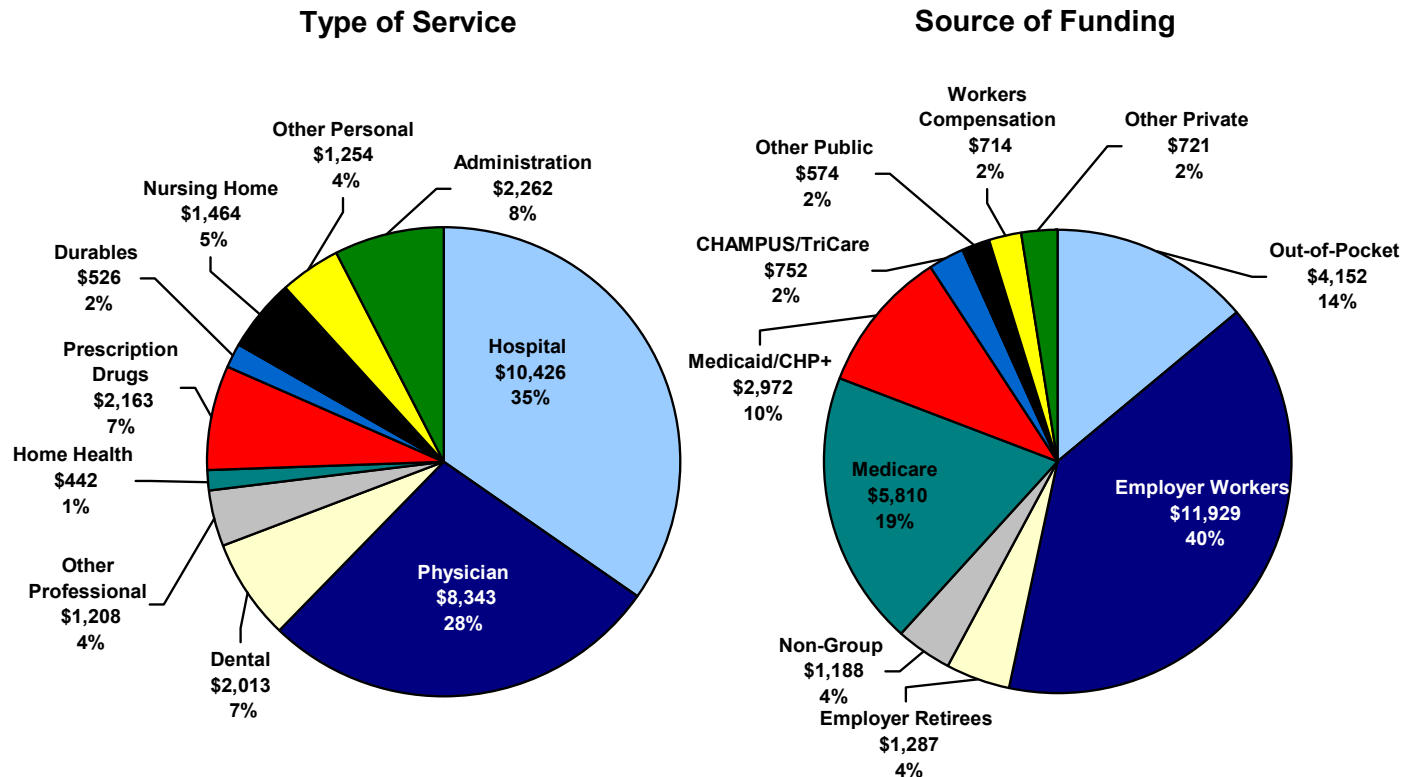
- Key data sources
 - Iowa State Household Survey (if available)
 - Current Population Survey CPS - Used to control data to demographic structure of Iowa
 - Medical Expenditure Panel Survey (MEPS) Health expenditures by source of fund and service at individual level
 - MEPS-Insurance Component (IC) - premium data by firm size
 - Employer survey data (KFF/HRET and MEPS IC) used to create "synthetic firms" to simulate the employer and employee structure in the state
 - Current health spending data (CMS Office of the Actuary) control totals for the State's health spending
 - State and local government health spending data
- Maximum use of state-specific data
- Most data available on web

Projected Number of Colorado Residents by Average Monthly Primary Source of Coverage in 2007-2008 (thousands)



Source: Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

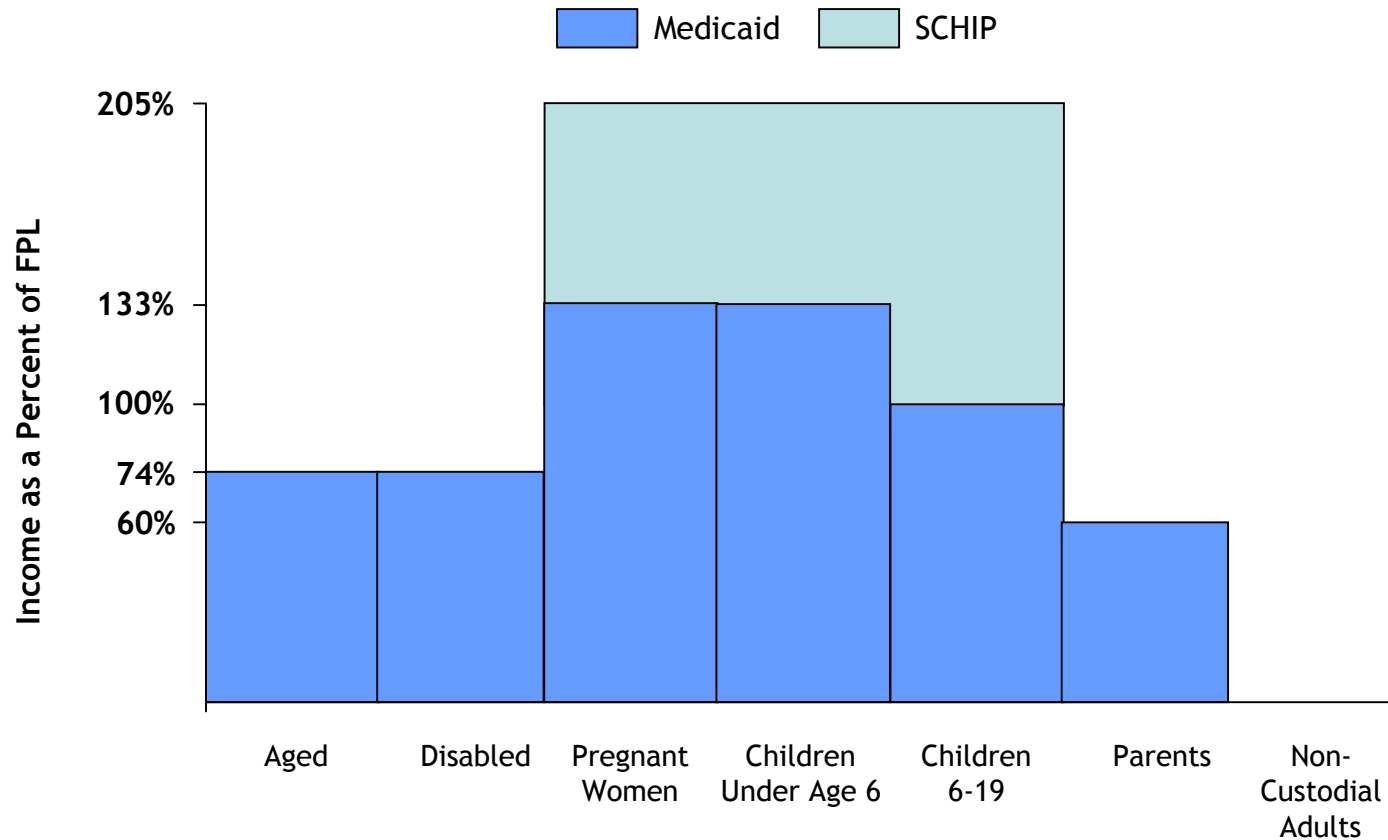
FY 2007-2008 Estimated Spending in Colorado by Type of Service and Source of Funding (millions)



Total Health Spending=\$30,100 million

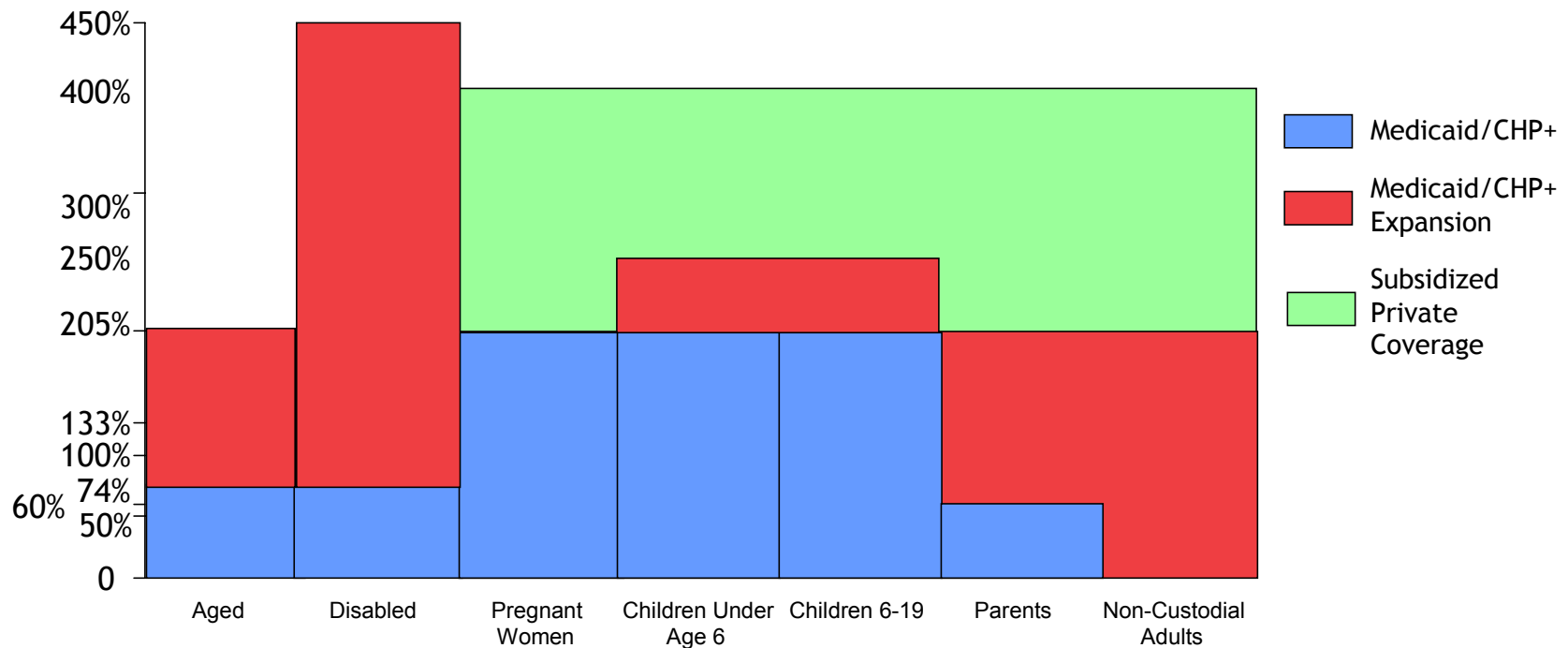
Source: Lewin Group estimates.

Current Eligibility for Colorado Medicaid and CHP+



a/ Does not include home and community based services waiver program eligibility, which is not a state plan service. This program is available to aged and disabled people below 225% FPL who would otherwise need nursing home services.

Eligibility under the Colorado Commission Proposal ^{a/,b/}



a/ Does not include existing home and community based services waiver program eligibility, which is available to aged and disabled people below 225% FPL who would otherwise need nursing home services.

b/ Does not display proposed medically needy program to 50% FPL or the proposed medically correctable program.

c/ Coverage for aged expansion group includes only payments for Medicare Part-B premium, coinsurance and deductibles.

d/ Does not display full-cost Buy-in for disabled above 450 percent of the FPL.

Transitions in Coverage Under the Colorado Commission Proposal in 2007/2008 (in 1,000s)

Base Case Coverage		Employer Sponsored Insurance (ESI)		Private Non-ESI Coverage			Public Coverage				Not Insured
		Employer - No Subsidy ^{a/}	Employer - With Subsidy	Non-Group - Subsidy	Non-Group - Non-Subsidy	Cover Colorado	TRICARE	Medicare Excl. Dual Eligible	Medicare Dual Eligible	Medicaid/ CHP+	
Employer	2,691.7	2,534.4	0.0	53.0	47.9	4.9	0.0	0.0	0.0	51.5	0.0
Non-Group	158.9	47.8	0.0	51.1	38.5	8.8	0.0	0.0	0.0	12.7	0.0
TRICARE	112.4	0.0	0.0	0.0	0.0	0.0	112.4	0.0	0.0	0.0	0.0
Medicare (excl. Dual Eligibles)	413.0	0.0	0.0	0.0	0.0	0.0	0.0	413.0	0.0	0.0	0.0
Medicare Dual Eligible	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0	0.0	0.0
Medicaid/ CHP+ excl. Dual Eligible	402.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	37.6	364.5	0.0
Uninsured	791.8	45.7	19.7	171.6	23.9	10.4	0.0	0.0	0.0	415.0	105.5
Total	4,619.9	2,627.9	19.7	275.7	110.3	24.1	112.4	413.0	87.6	843.7	105.5

a/ Includes people who use their subsidy for ESI coverage.

Source: The Lewin Group estimates using the Health Benefits Simulation Model.

Distribution of Subsidies by Current Insuring Status Under the Colorado Commission Proposal in 2007/2008 ^{a/}

	Number Receiving Subsidies (1,000s)	Total Amount of Subsidies (millions)	State Share (millions) ^{b/}	Federal Share (millions)
Medicaid Expansion ^{c/}				
Currently Insured	135.8	\$360.4	\$186.3	\$174.1
Currently Uninsured	405.7	\$1,272.0	\$676.2	\$595.8
Total	541.5	\$1,632.4	\$862.5	\$769.9
Premium Subsidies				
Currently Insured	104.2	\$270.2	\$135.1	\$135.1
Currently Uninsured	111.3	\$280.3	\$140.2	\$140.2
Total	215.5	\$550.5	\$275.3	\$275.3
All Subsidies				
Currently Insured	240.0	\$630.6	\$321.4	\$309.2
Currently Uninsured	517.0	\$1,552.3	\$816.4	\$736.0
Total	757.0	\$2,182.9	\$1,137.8	\$1,045.2

a/ Includes premium subsidies and public program costs under the Medicaid expansions.

b/ Assumes Federal Medicaid waiver to receive matching funds for childless adults.

c/ Excludes costs of Medicaid/CHP+ benefits and delivery system changes.

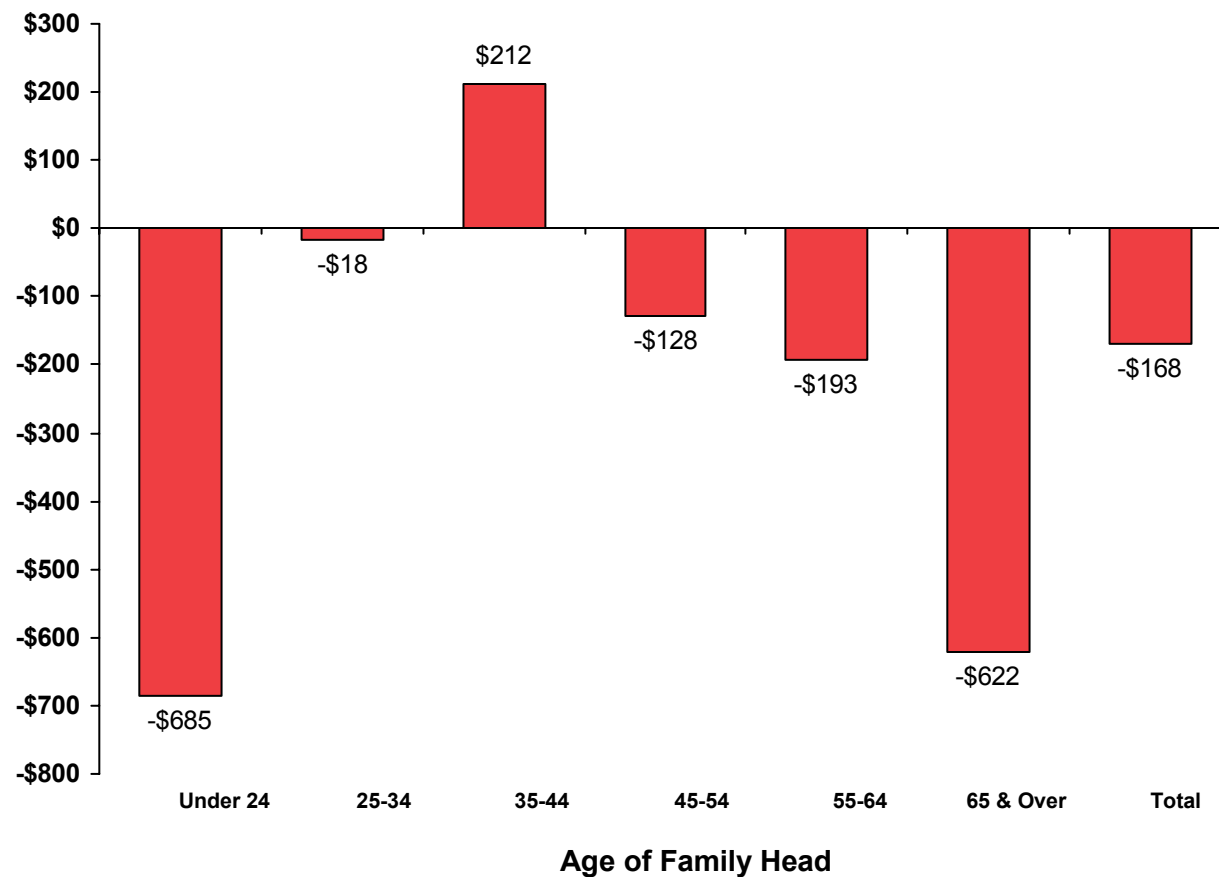
Source: The Lewin Group estimates using the Health Benefits Simulation Model.

Change in Average Family Health Spending by Income Group Under The Colorado Commission Proposal in 2007/2008



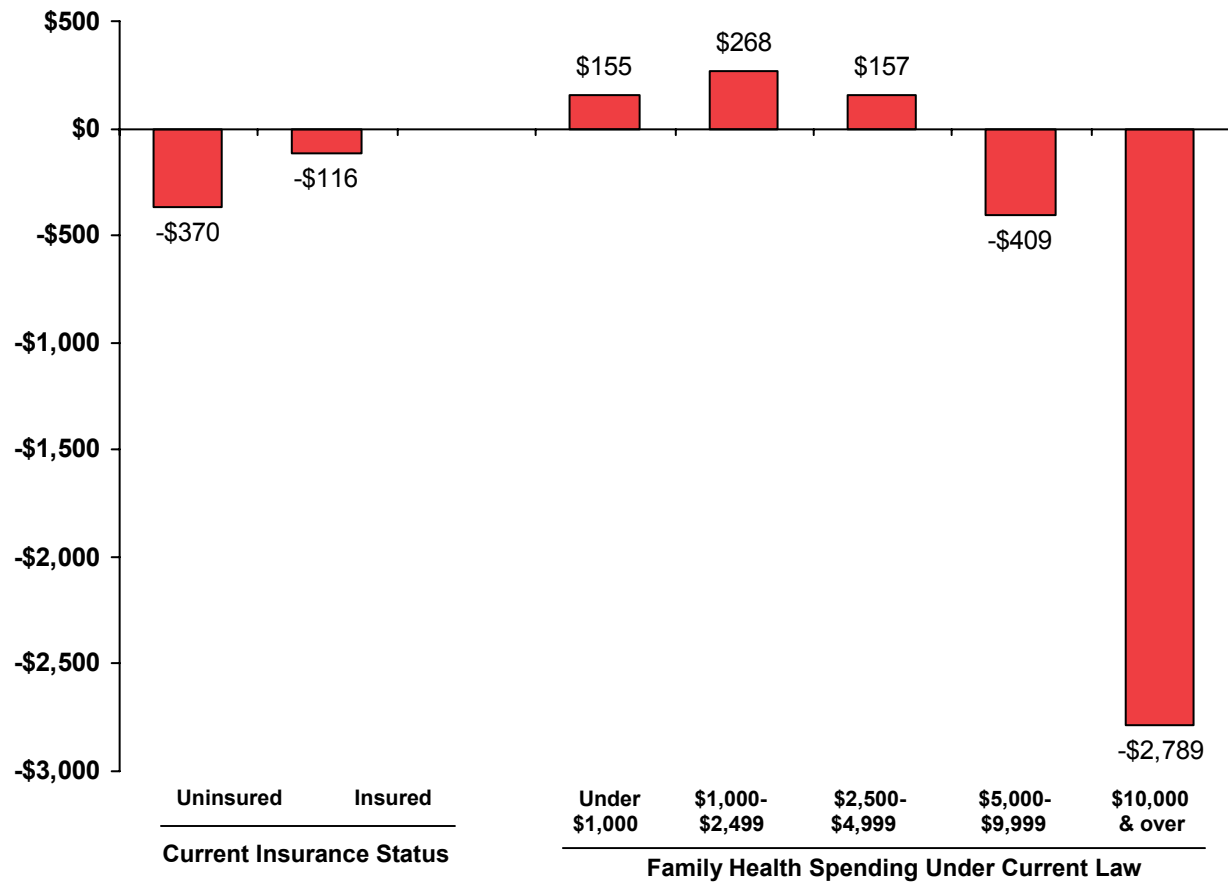
Source: The Lewin Group estimates using the Health Benefits Simulation Model (HBSM).

Change in Average Family Health Spending by Age of Family Head Under The Colorado Commission Proposal in 2007/2008



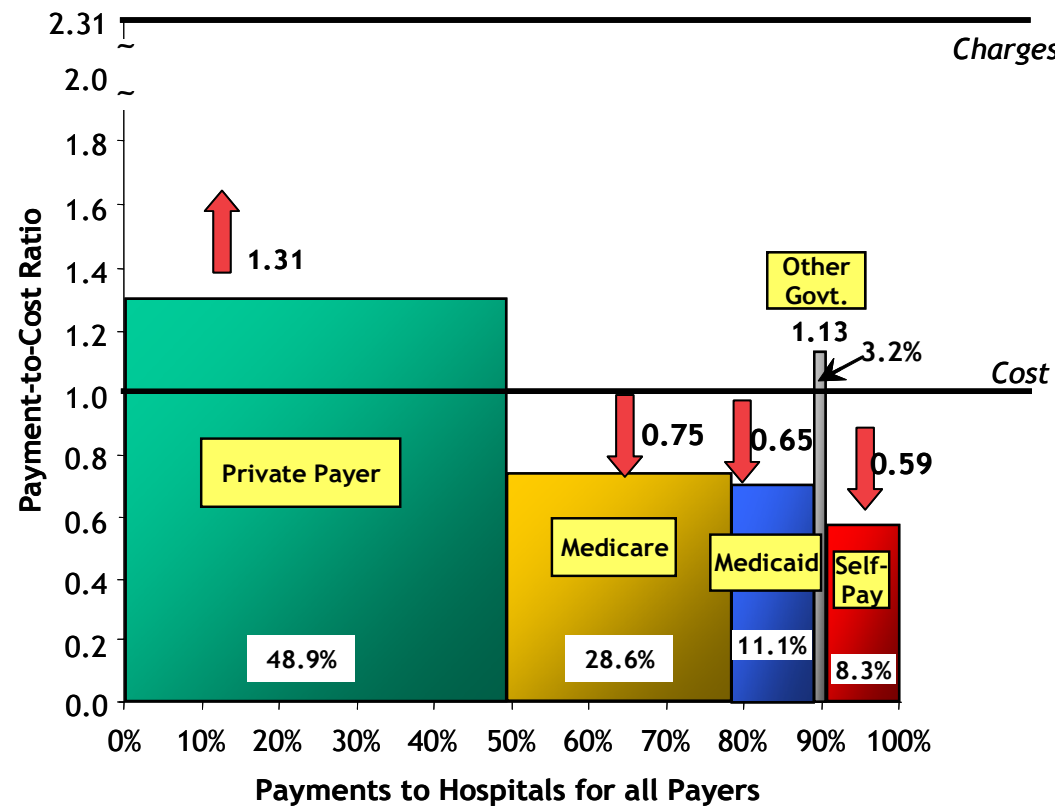
Source: The Lewin Group estimates using the Health Benefits Simulation model (HBSM)

Change in Average Family Health Spending by Current Law Insurance Status and Family Health Spending Under the Colorado Commission Proposal in 2007/2008



Source: The Lewin Group estimates using the Health Benefits Simulation model (HBSM)

Summary Comparison of Hospital Payment Levels in Colorado



Source: The Lewin Group analysis of Colorado Hospital Association data.